

GENERAL DATA PROCESSING COMPUTER SYSTEM: MEMORY STORAGE  
CONTAINS MASTER DATABASE OF OPEN END MUTUAL FUND STATISTICS  
PREFERRED SPECIFICATION OF COMPUTER:CDROM DRIVE, MONITOR  
HARD DRIVE CONTAINING 420 MEGABYTES 8 MEGABYTES RAM, 486 CPU

- FIGURE  
1A

ELIMINATE THOSE FUNDS IN MASTER DATABASE WHERE  
FUNDS ARE MARKED "NOT AVAILABLE FOR PURCHASE".  
PUT REMAINING FUNDS IN NEW DATABASE:"**DATABASE #1**"

FIGURE  
1B

```
ELIMINATE ALL FUNDS IN DATABASE #1 WHERE
ASSET SIZE IS NOT EQUAL TO "USER
DEFINED" STORING REMAINING FUNDS IN NEW
DATABASE: "DATABASE #2"
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- FIGURE  
1C

SEARCH DATABASE "DATABASE #2" FOR THOSE FUNDS WHERE CATEGORY OF INVESTMENT STYLE ="USER DEFINED" AND PLACE IN NEW DATABASE: **"DATABASE #3"**

— FIGURE  
1D

FIGURE 1F

FIGURE 1E

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SEARCH DATABASE#3 AND SELECT
FUNDS WHERE RISK OVER TIME
(T) < AVERAGE OF ALL FUNDS IN
DATABASE#3 WHERE TIME (T) =
"USER DEFINED" AND RISK =
"USER DEFINED". STORE SELECTED
FUNDS IN NEW DATABASE NAMED:
DATABASE #5
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```
SEARCH DATABASE #3; SELECT THOSE
FUNDS WHERE RETURN OVER TIME (T) >
AVERAGE OF ALL FUNDS IN DATABASE #3
WHERE TIME (T) = "USER DEFINED" AND
STORE IN NEW DATABASE NAMED:
"DATABASE #4"
```

Table 1. Demographic characteristics of the study population	
Age (years)	Mean (SD)
Male	55.2 (10.5)
Female	56.8 (11.2)
Marital status	
Married	78.5%
Single	21.5%
Education level	
High school or above	65.2%
Below high school	34.8%
Occupation	
White collar	42.1%
Blue collar	57.9%
Income (USD/month)	
< 1000	15.3%
1000-2000	32.1%
2000-3000	28.7%
> 3000	23.9%
Health insurance	
Yes	89.4%
No	10.6%
Comorbidities	
Hypertension	45.2%
Diabetes	32.1%
Cholesterol	28.7%
Smoking status	
Current smoker	18.5%
Former smoker	12.3%
Non-smoker	69.2%

Figure 1 continued

COMBINE DATABASE "4" AND DATABASE "5" INTO NEW  
DATABASE NAMED: "INDEX"

- FIGURE  
1G

CREATE CONSTANT "NUMBER"; "NUMBER" = "USER  
DEFINED" TOTAL NUMBER OF OPEN END MUTUAL FUNDS  
TO BE INCLUDED WITHIN THE DATABASE "INDEX"

- FIGURE  
1H

CREATE CONSTANT NAMED "CALCULATION" WHERE  
"CALCULATION" = "USER DEFINED" CHOICE OF  
<EQUALLY PRICE WEIGHTED>, <CAPITALIZATION  
WEIGHTED>, <GEOMETRICALLY WEIGHTED>, OR  
<CUSTOM WEIGHTED>

- FIGURE  
1I

CREATE FORMULA: "OPTIMAL RISK/RETURN (T)"  
WHERE "OPTIMAL RISK/RETURN (T)" = "TOTAL  
RISK/RETURN (T)" - "TOTAL RISK/RETURN (T-1)"  
IF "TOTAL RISK/RETURN (T)" < "TOTAL  
RISK/RETURN T-1" THEN REPEAT UNTIL  
"TOTAL RISK/RETURN" YIELDS A GROUP OF  
FUNDS WHERE NUMBER = "NUMBER" AND NO OTHER  
COMBINATION OF FUNDS YIELDS A LOWER  
RISK/RETURN RATIO OVER TIME (T) AND NAME  
"FINAL INDEX"

- FIGURE  
1J

CREATE FORMULA "TOTAL RISK/RETURN" WHERE  
"TOTAL RISK RETURN" = SUM (TOTAL RISK FOR  
ALL FUNDS IN INDEX/TOTAL RETURN FOR ALL  
FUNDS IN INDEX) FOR TIME PERIOD (T)

- FIGURE  
1K

PRINT OUT A CHART OF "FINAL INDEX" FOR  
TIME (T). RETURN TO FIGURE 1A TO REPEAT

- FIGURE  
1L

00240-8886860

FIGURE 2

PROCESS FOR INTRA-DAY TRADING OF SECURITIZED  
OPEN END MUTUAL FUND,  
INDEX AND LINKED DERIVATIVE SECURITIES

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